Approved for Release: 2018/10/01 C06626795

Bio File

SECRET

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Jacobo TIMERMAN, Director of Primera Plana
Ambassador Martin
Mr. Rabenold, Political Counselor
Mr. Peres, Embassy Press Officer (USIS)

DATE: June 30, 1964

PLACE: The Residence

SUBJECT: Present Political Situation in Argentina

Jacobo Timerman called on the Ambassador at the residence June 30. He is the Director of Primera Plana, an influential weekly news review, and a close collaborator of FRONDIZI and FRIGERIO. He likes to operate as a go-between on matters political.

Timerman remarked that the Ambassador had arrived in Argentina at an exciting time and that it would become more exciting. He asked for the Ambassador's analysis of the present situation.

The Ambassador commented briefly on the various problems facing the country at the moment, such as the meat shortage, the sugar crisis, the Plan de Lucha of the CGT, the oil contracts and the budget deficit. He said that all of these problems, except perhaps the budget deficit which is the most serious, had been unnecessarily exaggerated in the local press and that tensions had been built up out of proportion to what was involved. He referred to the views of several reputable sources that the Government had handled the CGT problem in a smart fashion. He then asked for Timerman's opinion.

Timerman began by saying that he would not want to seem impertinent but he disagreed with the Ambassador's analysis. Before giving his views on the current situation, however, he wished to relate an experience which just ended an hour before his arrival at the residence. Last Wednesday, he said, he met in his office with Bernardo BAS, former Minister of Labor, and with Leopoldo SUAREZ, and drafted a compromise plan which the CGE might present to the President. This plan included a proposal that the President change some members of his Cabinet. The CGE agreed to the plan and Suarez felt that he could get the support of the

SECRET

Approved for Release: 2018/10/01 C06626795

Approved for Release: 2018/10/01 C06626795

military for it. It was then decided to present it to the President to see if he would agree provided the CGT would come along. When the CGE met with the President on Friday, June 26 (after having their interview postponed for 20 days), the President's reaction was that in general it was a good idea but he did not quite see how he could in fact put it through. However, he asked them to see Palmero on Monday. Palmero also thought it was a good proposal and that perhaps it might be possible to put it through if the CGT was prepared to support it. Bas went to see Alonso of the CGT. Alonso rejected the suggestion of a change in the composition of the Cabinet, which in effect reversed an earlier position of the CGT. While earlier CGT spokesmen had thought Cabinet changes would do, they were now convinced they would make no essential difference and there must be a change in Government. This was then conveyed back to the military with the inquiry whether they wanted to press ahead regardless, or put pressure on the CGT. The military, on hearing the CGT position, confessed that they thought it probably made sense.

Alonso's reasoning was that a change in the Cabinet would not be accepted by the President, and, even if it were, it would not result in any basic change in attitude which is what was required. Furthermore, it would place the CGT in the awkard position of having to wait and see whether the changes resulted in anything substantive and then to decide what to do next. The rank and file of the CGT might become impatient and troublesome. At this point, Timerman quoted an Argentine saying that if labor leaders do not place themselves at the head of the rank and file, the rank and file will walk away with their heads.

When asked what the reaction of the military was to the proposal of a Cabinet change, Timerman said that they agreed with Alonso. Timerman then went on to say why he thought both were correct and why the solution lay in another direction. He stated that, as the Ambassador indicated, there were problems like the meat shortage, the sugar crisis, the CGT Plan de Lucha and the oil contracts, and perhaps these had been exaggerated in the press. The climate of tension in the country, however, was not due so much to these problems which were transitory; it was due basically to the ineptitude of the existing Government (meaning the UCRP). Timerman would not speculate whether President Illia was uninformed, or if informed, unable or unwilling to act. He merely said

Approved for Release: 2018/10/01 C06626795

Approved for Release: 2018/10/01 C06626795

that the Government spoke some sort of language -- it might be French, German or Swiss -- but it was not the language dictated by the situation in the country. The Administration simply did not understand the present difficulties and was so fixed in its ideology that it was incapable of facing up to the problems realistically.

In Timerman's estimation the only solution was not a change in the Cabinet but a change in the Government. And the only vehicle for achieving this was the military. He had a high opinion of the present composition of the military, pointing out that it was composed of young officers, all anti-Peron from top to bottom, and controlled by the most capable of them, the azules. For the first time in many years, he said, the military were united and, with the help of a new generation of young civilian experts, were capable of constructive action. For example, the railroad problem was critical and only the military could take drastic decisions necessary to cut the railway deficit. Timerman did not think, however, that the military would move at this time. He gave several reasons for this:

(1) While the military has a general ideology which is anti-communist and anti-Peron, it has not yet formulated a position on specific current domestic issues;

(2) The constitutionalist sentiment is strong;

(3) The military would want the support of labor but do not think they can work with the CGT so long as Peron is using it for his own political purposes (he added that no government can succeed without the support of labor);

(4) The military would not want to act immediately after the YPF occupation of the oil fields since this might look like a "golpe petrolero" for the purpose of protecting U. S. interests.

(5) The situation has not deteriorated enough. The military would want to be sure of a clear mandate from the people and not leap prematurely.

When asked how long the alleged growing crisis would last, Timerman estimated a period of two or three months. By September or October he thought that conditions would so verge on the chaotic that the military would feel forced to act, especially as a result of increases in the cost of living.

Approved for Release: 2018/10/01 C06626795

Approved for Release: 2018/10/01 C06626795

With regard to the oil contracts, Timerman said that he could not care less if U. S. companies lost millions of dollars in their investments in Argentina. What vitally concerned him and the country as a whole was whether the Government's oil policy might result in oil importation. This was the crux of the matter. The importation of oil would have serious political as well as economic consequences. Turning to the Government's economic policy as a whole, Timerman thought that Illia's approach was from the wrong end. Instead of trying to hold down prices, the Government should be concentrating its efforts on greater production and higher wages. Timerman played down the importance of the efforts of ELIZALDE and CARRANZA. He looked upon the five-year plan as window dressing and unlikely to affect the present crisis which was essentially one of lack of confidence in the Government. Assuming the five-year plan was adopted, the Government would be incapable of carrying it out.

In addition to the above, Timerman had a number of sharp comments to make concerning various Argentine personalities whose names came up in the course of the conversation:

Illia - Timerman said that the President had a long-time reputation as a compromiser. In fact, he has the nickname of El Tejedoro (the weaver). This made him especially effective in small-town politics but has not served him particularly well when face to face with national problems.

Frondizi - Timerman's admiration of Frondizi was very evident. Frondizi, he said, knew how to operate. He not only moved in the right direction but was particularly astute in playing one pressure group off against another. He was also able to attract and develop a competent and disciplined body of young men in national politics. However, it was a miracle that Frondizi lasted four years in office, for the military was against him no matter what he did. Because of the military Timerman did not think that Frondizi had a political future. He might succeed in building up the MIR as another factor in Argentine politics, but this would probably take two years and Frondizi was unlikely to do very much in the March elections, assuming these took place.

Perette - Timerman stated that he knew Perette very well. He obviously did not have a high opinion of him. He considered him incompetent, very ambitious, and prone to making the same speech

Approved for Release: 2018/10/01 C06626795

Approved for Release: 2018/10/01 C06626795

over and over again about the sacred flag and the national patrimony. Timerman mimicked some of Perette's eccentricities and related the episode of Perette reading the wrong statistics in a debate before Congress.

Pages Larraya - Timerman described this man as crazy. He said that Pages was close to Perette and that he understood he had gone to Madrid with some proposal from Perette to Peron.

General Villegas - Timerman mentioned the name of General Villegas several times. Evidently Villegas has participated with Timerman in recent political discussions and obviously Timerman has a high opinion of the General and his views.

Bernardo Bas - In the course of describing Bas' role in the CGE-CGT discussions of the past week, Timerman said that Bas was greatly respected by labor elements. He is a union lawyer of twenty-years experience and served as Minister of Labor just prior to the coming to power of the present Government. Bas is working in Cordoba now.

Senator Cantoni - The Ambassador mentioned that Senator Cantoni of San Juan travelled on the same ship with him to Buenos Aires and seemed to be a power in San Juan politics. Timerman remarked that at the present time Cantoni does not have as much power in San Juan as the Ambassador seemed to think.

Senator Sapag - The Ambassador also mentioned meeting Senator Sapag of Neuquen. Timerman conceded that Sapag was very powerful in his Province. He said that many of Sapag's constituents think that he is the President. This may be due, as the story goes, to the confusion among some voters in Neuquen between Elfas (Sapag's first name) and Illia.

Timerman closed his exposition by adopting the Ambassador's use of the phrase "political thermometer" and stating that the boiling point in Argentina is very low. In Chile this situation would probably seem quite favorable; in Brazil the people would tolerate a lot more. In Argentina, Timerman saw little hope for the future. He did not think there

Approved for Release: 2018/10/01 C06626795

Approved for Release: 2018/10/01 C06626795

would be any Cabinet changes. A coalition would not work. The situation was deteriorating and the military were not prepared to move. He considered that the country was entering a political vacuum which might only serve the purposes of undesirable militant elements. In his estimation this was too bad since Illia could do a lot if he wanted to. He has the basic good will of the Army which Frondizi never had, and the military is unified as it has not been before. In spite of everything else he said, Timerman saw no alternative for the moment but to support Illia and keep him in power. This seemed like a blatant contradiction after Timerman's repeated insistence that the only solution was a change in Government but was probably dictated by the need to wait until the military were ready to move. At the end, Timerman revealed many of the symptoms of acute frustration and, upon taking his departure, cautioned that his statements were to be treated as "off the record."

Approved for Release: 2018/10/01 C06626795